

NON- RESIDENTIAL DEVELOPMENT FEE INSTRUCTIONS

City of Scottsdale Water Resources

GENERAL INFORMATION

Non-residential development fees are based on average annual water and sewer usage. The Developer, defined as the Owner of the real property, calculates development fees by preparing a Water & Sewer Need Report. Important Note: When estimating water and sewer need for the development, the Developer/Owner must also include **all potential tenants** on the property. The City requires the Developer, not the tenant, to submit Water & Sewer Need Reports and Financial Obligation Agreements. The Developer may not assign or delegate these legal obligations to the tenant. The City must approve Final Plans, Financial Obligation Agreements, and Water & Sewer Need Reports before development fees are paid. Development fees must be paid to obtain building permits and water meters.

The Non-Residential Development Fee Packet provides forms and instructions to help estimate water and sewer need, and development fees. Development Fees are updated every year in July. To obtain building permits before July 2006, submit the documents provided in this packet. Development Fee Packets are available at the following locations:

- City Website (Online) <http://www.scottsdaleAZ.gov>
Planning, Building & Zoning\Permit Services\One Stop Shop\Water Fee Packet
- Development Services 7447 E. Indian School Road, Suites 100 & 105
- Water Resources 9388 E. San Salvador Drive

Please follow the step-by-step instructions below to complete all required documents.

STEP 1: DETERMINE CORRECT ZONE (Refer to the City map and identify your correct zone.)

Zone A is that part of the City which is south of Shea Boulevard, west of Pima Road, and east of Scottsdale Road, including the area south of Indian Bend Road and west of Scottsdale Road.

Zone B-E is that part of the City not in Zone A and that part of Maricopa County west of Scottsdale Road, north of Dynamite Boulevard, east of 56th Street, and south of Carefree Highway.

STEP 2: ESTIMATE DOMESTIC WATER NEED – TO SEWER

Use Tables #1 through #4 to estimate DOMESTIC water need that returns to the sewer. Sewer development fees are based on DOMESTIC water that returns to the sewer. Do not include water that does not return to the sewer.

STEP 3: ESTIMATE DOMESTIC WATER NEED – NOT TO SEWER

Use Tables #5 and #6 to estimate DOMESTIC water need that does NOT return to the sewer. Sewer development fees are not required for domestic water usage that does not return to the sewer. Examples include evaporation loss or run-off loss through evaporative coolers, cooling towers, pools, spas, fountains, hose bibs, misting systems, wash-down areas, miscellaneous process rinses, and car washing. Please include calculations on Tables #5 and/or #6 as an attachment to the Exhibit "C" Water & Sewer Need Report.

STEP 4: ESTIMATE LANDSCAPE WATER NEED

Use Table #7 to estimate LANDSCAPE water need. Measure both the area of TURF and the area of PLANTS & TREES. The standards in Table #7 for LANDSCAPE water need are based on City of Scottsdale consumption data and Arizona Department of Water Resources (ADWR) goals.

Please Note: Tables #1 through #7 serve only as informational guides. The Developer is required to make good faith water and sewer need estimates and is responsible for the accuracy of those estimates. Unless metered water consumption data from similar developments is available, **Water Resources will not approve estimates below the minimum acceptable standards provided in these tables.**

STEP 5: CALCULATE DEVELOPMENT FEES

To calculate development fees, select the correct zone on the Water & Sewer Need Report; multiply the cost per gallon per day for each fee in Section 2 times the gallons per day for each type of water need in Section 3. **Average gallons per day = annual water need divided by 365 days.** The examples on Pages 4, 5 and 6 demonstrates how fees are calculated.

STEP 6: WHEN APPLYING FOR A DEVELOPMENT REVIEW BOARD HEARING, submit one **Abbreviated Water & Sewer Need Report** for each property/parcel to the assigned City Project Coordinator.

STEP 7: WHEN SUBMITTING CONSTRUCTION DOCUMENTS FOR PLAN REVIEW & PERMIT, submit **Non-Residential Water & Sewer Development Fee Documents** to Development Services as follows:

A. FOR EACH BUILDING, submit one set of the following documents:

- **Financial Obligation Agreement**, signed by the Developer/Owner and notarized,
- Exhibit "A" - 8 ½" x 11" **Written Legal Property Description**, and
- Exhibit "B" - 8 ½" x 11" **Vicinity Map**.

Required Documents for an LLC or LLP If the owner is a limited liability company (LLC), it must provide to the City a copy of its Articles of Organization showing the filing date with the Arizona Corporation Commission (or other filing authority in the State of origin) and its Operating Agreement or, if a limited liability partnership (LLP), a copy of its Statement of Qualification showing the filing date with the Arizona Secretary of State (or other filing authority in the State of origin) and a copy of its Partnership Agreement, before the City will accept the Financial Obligation Agreement. If the Financial Obligation Agreement is signed on behalf of an LLC or an LLP, the person signing must personally warrant and represent to the City that he/she has authority to sign and bind the LLC or LLP to the terms of the Financial Obligation Agreement.

B. FOR EACH WATER METER, submit a separate **Exhibit "C" Water & Sewer Need Report**. A separate **City-assigned address is also required for each water meter**. To obtain an address, contact Records at 480-312-7073.

The Developer formats and prepares the **Exhibit "A" Legal Property Description** and the **Exhibit "B" Vicinity Map**. The City provides forms in the Development Fee Packet for the **Exhibit "C" Water & Sewer Need Report** and the **Financial Obligation Agreement**. The Developer must complete all documents in compliance with the following **Maricopa County Records Office formatting requirements**:

- The pages must be 8 ½" x 11" **original documents** (no copies or facsimiles),
- The margins must be at least ½" (top, bottom, and side), and
- The print size must be at least 10-point, with no condensed text or shading.

Check all documents for completeness and accuracy. Maintain copies for your records. Submit original **Non-Residential Water & Sewer Development Fee documents** to Development Services along with Construction Documents for Plan Review. Development Services will forward your **original documents** to Water Resources for review and approval.

If Water Resources does not approve your documents, you have two courses of action: (1) recalculate your estimates and resubmit your documents to Water Resources for approval, or (2) request an arbitration session with Water Resources staff at (480) 312-5685 to justify your calculations.

STEP 8: PAY DEVELOPMENT FEES AND OBTAIN PERMITS

Upon approval, Water Resources will fax an approved copy of the **Exhibit "C" Water & Sewer Need Report** to your contact person. The contact person should be the individual that pays development fees and obtains building permits.

Your contact person must bring a hard copy of the approved Exhibit "C" Water & Sewer Need Report for each water meter to Development Services to pay development fees and to obtain building permits. Water meters may be obtained after development fees and water meter fees have been paid. Water meter fees are paid in addition to development fees.

STEP 9: TRACK WATER USAGE AND AMEND REPORTS EARLY

After the development has been completed, it is recommended that Owners track actual water usage as they pay monthly water and sewer bills. The City of Scottsdale will monitor water and sewer usage for three years upon issuance of the certificate-of-occupancy. The Financial Obligation Agreement obligates the Owner to pay additional fees and charges if actual water and/or sewer usage is greater than estimated water and sewer need. The Financial Obligation Agreement is recorded by the County against the property after the issuance of a building permit, and is binding upon any future Owners of the property.

Chapter 49, Section 74 of the Scottsdale Revised Code provides that at any time within the three-year monitoring period, Owners may avoid or reduce penalties by amending the original Water and Sewer Need Report and paying past due development fees and charges. City of Scottsdale staff will contact Owners if the average annual water and/or sewer usage exceeds the estimated water and sewer need by twenty percent (20%) or more. Owners may submit the amended report and, upon approval from Water Resources, pay additional development fees applicable to the difference between the original and the amended water and sewer need. The Exhibit C - Water & Sewer Need Report form may be used to amend the report.

If the amended report is submitted within the **first twelve (12) months** of the monitoring period, Owners **pay only the difference** between the fees paid and the fees owed. If the amended report is submitted within **thirteen (13) to twenty-four (24) months** of the monitoring period, Owners pay the difference between the fees paid and the fees owed **plus an additional ten (10) percent** of the difference. If the amended report is submitted within **twenty-five (25) to thirty-six (36) months** of the monitoring period, Owners pay the difference between the fees paid and the fees owed **plus an additional fifteen (15) percent** of the difference. The fees assessed will be those that are effective at the time of submittal of the amended report. Development fees are updated every year in July.

STEP 10: PAY PAST-DUE DEVELOPMENT FEES & PENALTIES

If, after three (3) years, the average annual water and/or sewer usage exceeds the estimated water and sewer need by twenty percent (20%) or more, then the City will enforce a penalty. The penalty will be the sum of: (a) The fees for **the difference** between the estimated water and sewer need and the actual water and/or sewer usage; (b) Interest at a rate of **ten percent (10%) per year** on the fees for the difference between the estimated water and sewer need and the actual water and/or sewer usage; and (c) **Twenty percent (20%)** of the fees for the difference between the estimated water and sewer need and the actual water and/or sewer usage. The fees assessed will be those that are effective at the time penalties are assessed. Development fees are updated every year in July.

City of Scottsdale staff will mail a written notice to the Owner to confirm calculations before enforcing a penalty. The Water Resources General Manager or designee may execute the Financial Obligation Agreement and may pursue any and all remedies available to it at law or in equity including, without limitation: (a) Immediate **termination of water service** to the Property; (b) Recordation and foreclosure of **liens on the Property**; and/or (c) Filing a **civil suit** for damages.

Please contact Water Resources staff at (480) 312-5685 if you have any questions or if you wish to amend your Exhibit "C" Water & Sewer Need Report at a later date. Thank you for your cooperation.

EXAMPLE CALCULATIONS

THE EXAMPLE DEVELOPMENT is a **24,000 sf grocery** store located in Zone B-E. **Evaporative coolers** serve a 2,000 sf warehouse with a 19-foot ceiling. The landscaped areas include 3,000 sf of plants and trees, and 1,000 sf of turf. A two-inch domestic water meter serves the inside building and a one-inch water meter serves the landscaped areas. The Developer will prepare two Exhibit "C" Water & Sewer Need Reports, one for the 2" domestic water meter and one for the 1" landscape water meter.

DOMESTIC WATER NEED - TO SEWER: Use Table #3 and calculate the average gallons per day for a typical grocery store as follows: 0.18 gallons per day per sf x 24,000 sf = **4,320 gallons per day**. Use Table #2 to validate the estimate. Enter **4,320 gallons per day** on the Domestic - To SEWER line in the #3 Fee Calculation Table of the Exhibit "C" Water & Sewer Need Report on Page 5.

DOMESTIC WATER NEED - NOT TO SEWER: Use Table #5 and calculate the evaporation loss of the evaporative coolers for the 2,000 square foot warehouse (with a 19-foot ceiling) as follows:

TABLE #5: CALCULATIONS FOR EVAPORATION LOSS	EVAPORATIVE COOLERS
Enter square footage of area to be cooled	2,000
x Ceiling height of area to be cooled	19
= Cubic feet of area to be cooled	38,000
Divide by 2,000 *	2,000
= Gallons per hour of evaporation loss *	19
x Hours of operation per year (average of 10 hrs./day x 180 days)	1,800
= Gallons per year of evaporation loss	34,200
Divide by 365 days = Average gallons per day	94
Enter 94 gallon per day on the <u>Domestic - NOT to Sewer</u> line in the #3 Fee Calculation Table of the <u>Exhibit "C" Water & Sewer Need Report</u> on Page 6.	

LANDSCAPE WATER NEED: Use Table #7 to estimate 3,000 sf of PLANTS = 180 gallons per day and 1,000 sf of TURF = 100 gallons per day.

TABLE #7: OUTSIDE WATER NEED CALCULATIONS	TYPE OF LANDSCAPE	
LANDSCAPED AREAS	TURF	PLANTS
Enter square footage of landscape area	1,000	3,000
x Gallons per square foot per year (ADWR & City Standards) *	36.65	21.90
= Gallons per year	36,650	65,704
Divide by 365 days = Average gallons per day	100	180

EXHIBIT "C" WATER & SEWER NEED REPORTS: The examples on Pages 5 and 6 show separate reports for the 2" domestic water meter and the 1" landscape meter. To determine fees for each type of water need, multiply gallons per day times cost per gallon per day. The example on page 5 calculates Water Development Fees for DOMESTIC Water To Sewer = 4,320 gpd X \$8.12 per gpd = **\$35,078.40**. In addition to the development fees, the meter fees for a 2" domestic water meter = **\$320**. The example on page 6 calculates Water Development Fees for Landscape PLANTS & TREES = 180 gpd X \$8.12 per gpd = **\$1,461.60**. In addition to the development fees, the meter fees for a 1" landscape water meter = **\$140**.